

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 19078
[Redacted],	)	
	)	DECISION
Petitioner.	)	
_____	)	

This case arises from a timely protest of a State Tax Commission staff's (staff) decision adjusting property tax reduction benefits for 2005. This matter was submitted for a decision based on the documents in the file. The State Tax Commission has reviewed the file and makes its decision based on the contents of that file.

All property within the jurisdiction of this state is subject to property tax. A property tax reduction benefit is available to certain qualifying individuals. The benefit is in the form of a payment of the applicant's property tax on the dwelling he/she owns and occupies. The payment is funded by state sales tax. The amount of property tax reduction depends on income--the greater the income, the smaller the benefit.

[Redacted] (petitioner) filed an application for a property tax reduction benefit with Gem County on or about April 15, 2005. In his application, the petitioner listed federal adjusted gross income and his income from Social Security. He included a copy of his 2003 federal income tax return.

The staff sent the petitioner a notice advising him of the intent to deny his benefit. Because the 2005 property tax reduction benefit depends on 2004 income rather than 2003 income, the petitioner was asked to provide a copy of his 2004 federal income tax return. He appealed the intended action and sent a copy of his 2004 Application of Additional Extension of Time to File U.S. Individual Income Tax Return. The petitioner's file was transferred to the Legal/Tax Policy

Division for administrative review.

Income for property tax reduction benefits purposes is defined in Idaho Code § 63-701 as income received in the calendar year immediately preceding the year in which a claim is filed. The calculation of income starts with federal adjusted gross income and, thereafter, makes certain additions and deductions.

In response to a letter advising the petitioner of his appeal rights, the petitioner submitted a copy of his 2004 federal income tax return. That return shows 2004 federal adjusted gross income of \$14,776. When the \$14,776 is added to the petitioner's \$13,618 of Social Security and the \$1,304 medical expenses are subtracted, the resulting net income for property tax reduction benefit purposes is \$27,063.

Unfortunately, the petitioner's income for 2004 exceeds the \$22,040 maximum income allowed for a minimum 2005 property tax reduction benefit. The petitioner must be denied the 2005 property tax reduction benefit.

The State Tax Commission is aware there is some potential this decision could cause a hardship to the applicant for property tax reduction in certain circumstances. The proper jurisdiction to handle such hardship situations falls with the County Commissioners pursuant to Idaho Code § 63-711.

WHEREFORE, the Intent to Deny Benefits letter dated September 20, 2005, is hereby APPROVED, AFFIRMED, and MADE FINAL.

An explanation of the petitioner's right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

**CERTIFICATE OF SERVICE BY MAIL**

I hereby certify that I have on this \_\_\_\_\_ day of \_\_\_\_\_, 2005, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]

Receipt No.

\_\_\_\_\_